KANSAS ASSOCIATION OF SCHOOL BOARDS

Serving Educational Leaders, Inspiring Student Success

www.kasb.org

Testimony before the
House Committee on Education

on
SB 188 - Publication requirements under the Kansas uniform financial accounting and reporting act

by

Mark Tallman, Associate Executive Director/Advocacy

March 23, 2015

Mr. Chairman, Members of the Committee:

Thank you for the opportunity to comment on **SB 188**. We appear as an opponent of the bill in its current form, in part because we are unsure of the actual cost of the bill on local districts and the Kansas State Department of Education. We do know that ANY additional costs will not be instructional or related to student success. The bill does the following:

First, it makes what appear to be fairly modest changes in certain items currently reported in the school district "budget at a glance."

Second**,** the bill would require each school district to publish annually on the district's website a document titled "Employee Compensation Information", which would contain for the current year the title and aggregate annual compensation, as described by the bill of:

- Each of the 10 employees receiving the largest amount of aggregate annual compensation, if the school district has a total enrollment of 500 or more; or
- Each of the 3 employees receiving the largest amount of aggregate annual compensation, if the school district has a total enrollment of less than 500.

This information is already public record. The policy question is why this information should be singled out. This report will not provide the public any context for this salary information, such as the scope of the individual's responsibilities, experience and qualifications, salary history, comparison with other districts, or comparison with the private sector.

Third, the bill also requires posting the lowest, highest, and average aggregate annual compensation for a teacher employed for a full school year. Again, this information is public. It can be provided in this format, but the bill does not provide any context for the public.

Because there seems to be a focus on educator salaries, I compiled the table on the following page:

Annual Changes in Compensation Sources; Legislative Research Department*, Kansas State Department of Education**						
	Regents Faculty*	Classroom Teachers**	Principals**	Superintendents**	Inflation Rate*	Private Sector Weekly Wage*
2009	2.0% plus $860	3.7%	3.3%	3.4%	(0.4%)	0.9%
2010	0.64%	0.6%	0.2%	0.7%	2.3%	(0.4%)
2011	0.85%	0.2%	0.4%	(1.3%)	3.2%	2.3%
2012	2.82%	0.1%	0.4%	1.4%	1.7%	2.1%
2013	2.29%	1.8%	1.8%	1.0%	1.4%	1.9%
2014	2.97	0.77%	1.82%	0.0%	2.2%	2.1%
2015	$250 bonus	NA	NA	0.09%	NA	NA

Since the Great Recession year of 2009, Kansas teacher salaries have increased less than the rate of inflation every year but one (2013), less than private sector wages every year but one (2010), and less than Regents faculty every year. Principals have average salaries adjustments generally comparable to teachers. Superintendents have had lower salary adjustments than teachers in four of the six years, and less than private sector weekly wages every year since 2010.

Fourth, the bill requires publishing the expenditures budgeted for amounts to be paid to or on behalf of members of the school district board of education, including, but not limited to association dues, travel and per diem, expenses, and reimbursements for any other expenses.

This mandates does not include the fact that school board members, by state law, receive no salary or compensation, other than expenses. We further suggest this requirement lacks clarity. Here is the guidance on board of education expenditure classification from the Kansas School District Accounting Handbook:

2310 Board of Education Services.
Activities of the elected body that has been created according to state law and vested with responsibilities for educational activities in a given administrative unit. Some examples of services to be included here are board secretary and clerk service.

2311 Supervision of Board of Education Services. Activities concerned with directing and managing the general operation of the Board of Education. These include the activities of the members of the Board of Education, but does not include any special activities defined in the other areas of responsibility described below. They also include any activities of the district performed in support of the school district meeting. Legal activities in interpretation of the laws and statutes and general liability situation are charged here, as are the activities of external auditors

2312 Board Secretary/Clerk Services. The activities required to perform the duties of the Secretary or Clerk of the Board of Education.

2313 Board Treasurer Services. The activities required to perform the duties of Treasurer of the Board of Education.

2314 Election Services. Services rendered in connection with any school system election, including elections of officers and bond elections.

2316 Staff Relations and Negotiations Services. Activities concerned with staff relations system wide and the responsibilities for contractual negotiations with both instructional and non-instructional personnel.

2319 Other Board of Education Services. Board of Education services which cannot be classified under the preceding areas of responsibility.

Our question is: what exactly are school officials supposed to report in this area that will be consistently applied for public use?

Fifth, the bill specifies how budget information must be displayed on the school district website. KASB has no objection to requiring that information be provided or how it will be placed, but we note there is a cost to website design. We do not believe school districts are deliberately ignoring current requirements. Instead, there are simply in disagreement over how to organize information, or in some cases, districts may have difficulty keeping their website current.

Sixth, the bill provides a process for the Kansas State Department of Education and Kansas State Board of Education to investigate non-compliance with this act, and fine districts $1,000 per day if the non-compliance is not corrected after 30 days.

While KASB certainly agrees that laws should be followed, we would ask whether the highest priority for the time and shrinking resources of KSDE staff is enforcing this law, especially when all this information for every district is already on the KSDE website. If this provision is adopted, we suggest the board be allowed to provide additional time to correct non-compliance if the district demonstrates a compelling reason to be given more time. As noted, this will also be a district cost, and many districts have limited IT support. Finally, although we doubt any fines would ever need to be imposed, we question whether removing resources is the best way to enforce this law.

For the record, I noted yesterday that the KSDE website listed over 50 districts with no listed personnel positions in the area of technology director or other technology support. Furthermore, 130 districts have no positions identified as non-certified assistant superintendents responsible for business operations; no business manager and no business director; which means all of these functions are carried out by the superintendent or essentially clerical staff.

Our legal staff notes that there are already nearly 600 pages of local in the Kansas statutes and supplemental directing and controlling what school districts must do. Last week, the Legislature passed a school finance bill that promised to trust local officials to make the right decisions about resources, to increase local control. This bill seems to undercut that goal.

We suggest that the issues in this bill be assigned to the subcommittee on **HB 2392** to determine exactly what additional information should be required and at what cost.

Thank you for your consideration.